

SECRET

Middle East

ISRAEL

15-17

Prime Minister Rabin's abrupt withdrawal as head of the Labor Party two weeks ago, after it was revealed that he had maintained unauthorized bank accounts in the US, now seems unlikely to damage the party seriously in the election next month. The change of leadership may even work to Labor's advantage.

The legal charge against Rabin is not considered a serious offense by Israelis, among whom the practice is widespread. Rabin's quick admission of guilt and rapid action in stepping aside have created

a wave of public sympathy that is likely to diminish, and perhaps negate, the political gains that leaders of the conservative Likud opposition and Yigael Yadin's Democratic Movement for Change hoped to reap from the scandal.

The Labor Party's ability to close ranks rapidly around its new leader, Defense Minister Peres, and to maintain its alliance with the left-wing Mapam party, has also surely been a disappointment to its opponents. They had anticipated that the accession of Peres, who has long been identified with hard-line positions on Arab-Israeli issues, would split the Labor Party and cause Mapam to bolt the alliance.

Likud and the Democratic Movement now face in Peres a more dynamic and politically more adept leader than Rabin,

and a man untainted by any hint of corruption. Peres' quick and smooth takeover of the party leadership should enable him to make a strong case to the electorate that Labor is capable of reforming itself and will seek to introduce broad political and social changes. This should give Peres a better chance than Rabin to counter the reformist appeal of the Democratic Movement and Likud.

In particular, Peres may be able to attract back to Labor some of its traditional supporters, who became disillusioned with Rabin and defected in recent months to Yadin's party. At the same time, Peres should be better able to retain the allegiance of Labor "hawks," who distrusted Rabin and might have been tempted to defect to Likud.



Prime Minister and Mrs. Rabin

UPI

SECRET